H-3882.1			

SUBSTITUTE HOUSE BILL 2502

State of Washington 57th Legislature 2002 Regular Session

By House Committee on Natural Resources (originally sponsored by Representatives Sump, Doumit, Rockefeller, Pearson, Jackley and Chase)

Read first time 01/29/2002. Referred to Committee on .

- 1 AN ACT Relating to the forest products commission; amending RCW
- 2 15.100.010, 15.100.030, and 15.100.040; and adding a new section to
- 3 chapter 15.100 RCW.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 15.100.010 and 2001 c 314 s 1 are each amended to read 6 as follows:
- 7 (1) The legislature finds that the creation of a forest products 8 commission would assist in expanding the state's economy, because:
- 9 $((\frac{1}{1}))$ (a) Marketing is a dynamic and changing part of the 10 Washington forest products industry and a vital element in expanding 11 the state economy;
- 12 $((\frac{2}{2}))$ (b) The sale in the state and export to other states and
- 13 abroad of forest products made in the state contribute substantial
- 14 benefits to the economy of the state, provide a large number of jobs
- 15 and sizeable tax revenues, and are key components of the health of many
- 16 local communities because many secondary businesses are largely
- 17 dependent on the health of the forest products industry; ((and
- (3)) (c) Forest products are made from a renewable resource and
- 19 are more environmentally sound than many alternative products:

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- 4 (e) Research related to managed forests and the promotion of
 5 managed forests can yield critical information for complying with the
 6 existing comprehensive state and federal scheme regulating timber
 7 harvest.
- 8 (2) The legislature also finds that any advertising, marketing, and
 9 public education related to the sale of forest products by the forest
 10 products commission is government speech that provides a benefit for
 11 the citizens of the state and is thereby entitled to first amendment
 12 protection.
- 13 **Sec. 2.** RCW 15.100.030 and 2001 c 314 s 3 are each amended to read 14 as follows:
- 15 (1)(a) There is created a commodity commission to be known and 16 designated as the Washington forest products commission. commission is composed of nine voting members. The commission may, in 17 18 its sole discretion, add or remove nonvoting ex officio members to the 19 commission. Of the members, six shall be from western Washington, and three shall be from eastern Washington. After the initial election of 20 commission members, however, if a position cannot be filled by a member 21 22 from eastern Washington within sixty days from the date on which 23 nominations may first be received because of a lack of candidates, the 24 position may be filled by a member from western Washington. Under no 25 circumstances will there be less than two board members from eastern If a position was filled by a member from western 26 Washington. Washington because of a lack of candidates from eastern Washington, and 27 districts are not used for the nomination and election of members, then 28 29 a person from eastern Washington must fill the next available vacancy 30 or open position at the next election to bring the number of representatives from eastern Washington up to three members. 31 members shall be elected by the entire group of producers unless the 32 33 commission creates districts for the members as authorized in RCW 15.100.050. If districts are used for the nomination and election of 34 35 commission members, and it does not appear that one of the positions 36 from eastern Washington will be filled because of a lack of candidates, 37 then a commission member who resides in western Washington must be 38 elected by the entire group of producers as an at-large member.

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- position of the western Washington member who is elected as an at-large member shall be filled by a member from eastern Washington at the expiration of the term of the at-large member. If districts are not used for the nomination and election of members, the commission shall strive to achieve representation on the commission from the different geographic regions of the state.
 - (b) Of the six members from western Washington, three members must have annual harvests of more than seventy-five million board feet, and three members must have annual harvests between two million board feet and seventy-five million board feet.

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- 11 (c) Of the two members from eastern Washington, one member must 12 have an annual harvest greater than forty million board feet, and one 13 member must have an annual harvest between two million board feet and 14 forty million board feet. If there is a third member from eastern 15 Washington, the only harvest requirement is that the member have an 16 annual harvest of at least two million board feet.
- 17 (2) The members must be citizens and residents of this state, and over the age of twenty-one years. Each member must currently, and for 18 19 the five years last preceding his or her election, be actually engaged 20 in producing forest products within the state of Washington, either individually or as an officer of a corporation, firm, partnership, 21 trust, association, or business organization at the level of production 22 23 required to qualify as a producer. Each member must also derive a 24 substantial amount of his or her income from the production of forest 25 products. The qualifications set forth in this section apply 26 throughout each member's term of office.
- 27 (3) No more than one member of the commission may be employed by, 28 or connected in a proprietary capacity with, the same corporation, 29 firm, partnership, trust, association, or business organization.
- 30 (4) Five voting members of the commission constitute a quorum for 31 the transaction of all business and the carrying out of the duties of 32 the commission.
- 33 (5) The regular term of office of the members is four years from 34 November 1st following their election and until their successors are 35 elected and qualified. However, the first terms of the members elected 36 in the initial November 1st((, 2001,)) election is as follows: 37 Positions one, four, and seven terminate on November 1st, ((2003)) two 38 years after the initial election is held; positions two, five, and 39 eight terminate on November 1st, ((2004)) three years after the initial

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- l <u>election is held</u>; and positions three, six, and nine terminate <u>on</u>
- 2 November 1st, ((2005)) four years after the initial election is held.
- 3 **Sec. 3.** RCW 15.100.040 and 2001 c 314 s 4 are each amended to read 4 as follows:
- (1) The director shall call the initial meeting of producers of 5 forest products for the purpose of nominating their respective members 6 7 commission <u>after receiving notice from an association</u> 8 representing producers of forest products that substantial interest exists in forming a forest products commission. Public notice of the 9 meeting shall be given by the director in the manner the director 10 determines is appropriate. A producer may on his or her own motion 11 12 file his or her name with the director for the purpose of receiving notice of the meeting. The nonreceipt of the notice by any interested 13 14 person does not invalidate the proceedings.
 - (2) Prior to the nomination of commission members, the department of revenue shall provide the director with a list of all qualified producers within the state based upon tax records of the department.
- 18 (3) For the initial election of commission members, any qualified 19 producer may be nominated orally for a commissioner position at the meeting convened by the director. Nominations may also be made within 20 five days prior to the meeting by a written petition filed with the 21 22 department, signed by at least five producers who reside in the state. 23 If the director determines that one of the positions from eastern 24 Washington will go unfilled because of a lack of candidates, the 25 director shall announce that this position shall be filled by a member from western Washington. If the position designated for eastern 26 Washington is filled by a member from western Washington because of a 27 lack of candidates from eastern Washington, this position shall be 28 29 designated as position number seven by the director for purposes of RCW 30 15.100.030(5). Under no circumstances will there be less than two board members from eastern Washington. 31
- 32 (4) The initial members of the commission shall be elected by 33 secret mail ballot under the supervision of the director at the same 34 time the referendum is submitted under RCW 15.100.120 calling for the 35 creation of the commission and the imposition of the initial 36 assessment. If a nominee does not receive a majority of the votes on 37 the first ballot, a run-off election shall be held by mail in a similar

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- 1 manner between the two candidates for the position receiving the 2 largest number of votes.
- (5) If the director determines under RCW 15.100.120(3) that the requisite approval for the establishment of a commission has not been given, any subsequent efforts to create a commission must follow the procedures established under this chapter for the initial nomination and election of members.
- 8 <u>NEW SECTION.</u> **Sec. 4.** A new section is added to chapter 15.100 RCW 9 to read as follows:
- The association responsible for giving the director notice under 10 RCW 15.100.040 that substantial interest exists in forming a forest 11 products commission shall reimburse the department for its costs 12 associated with conducting a proceeding to initiate a commission under 13 14 RCW 15.100.040 and 15.100.120. If the necessary approval is received for the creation of a commission, the commission shall reimburse the 15 association for the costs paid to the department when funds become 16 available. 17

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